



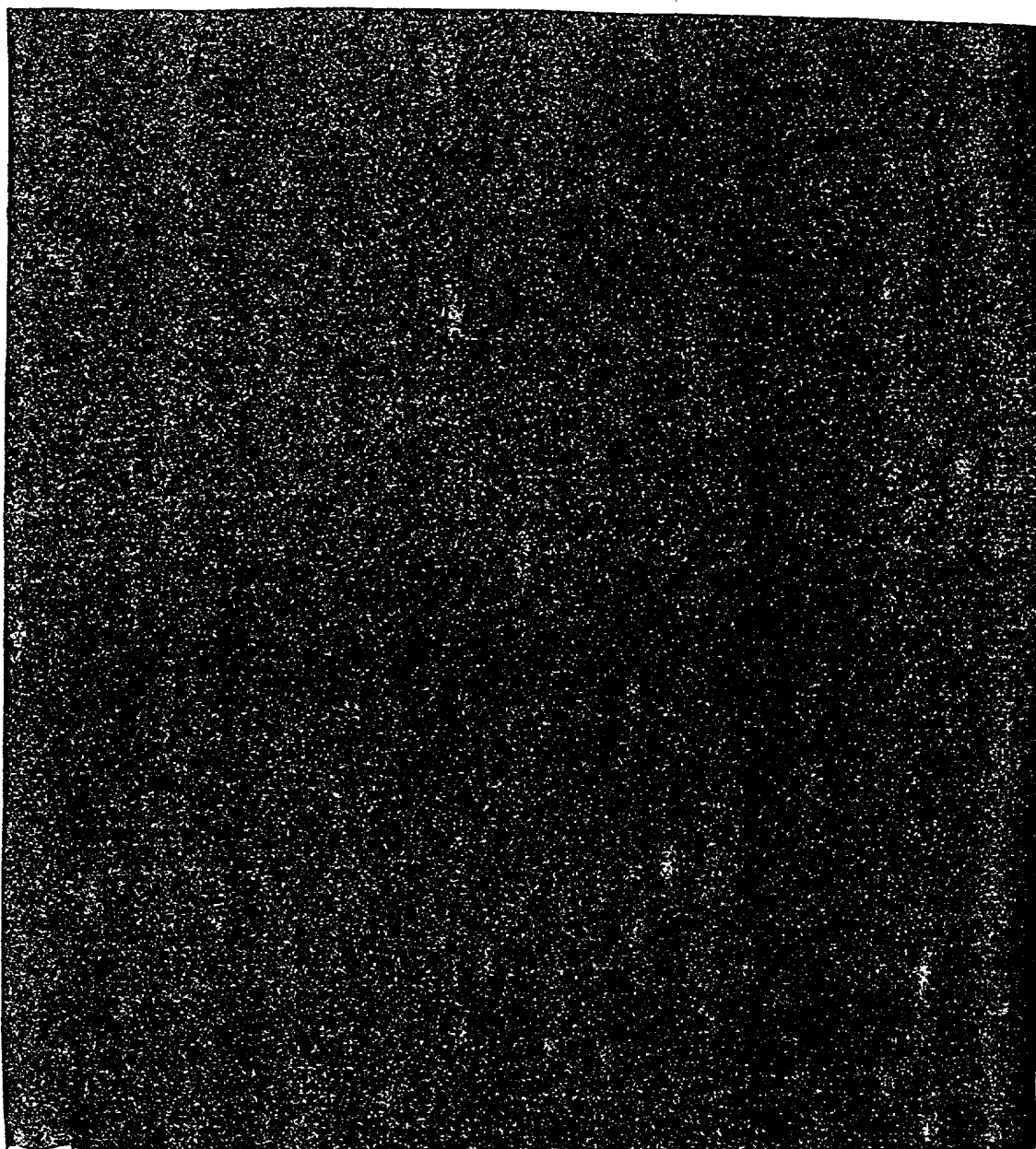
DIRECTORATE OF INTELLIGENCE

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SPOT COMMENTARY

6 February 1991
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IRAQ-KUWAIT: SITUATION REPORT #545



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Approved for Release
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Political/Economic Developments

Details on Iranian Peace Plan

According to Japanese press quoting Kuwaiti sources, Saddam Husayn is unlikely to accept the seven point peace plan Iranian President Rafsanjani sent him recently because it would give Iran a leading position in the Gulf region. The source says the plan calls for:

- o An Iraqi withdrawal from Kuwait, in response to the call from Iranian Supreme Leader Khamenei. If Baghdad withdrew, Tehran would issue a "call for peace" to countries supplying troops to the multinational forces.
- o Rafsanjani or Khamenei to visit Baghdad to pave the way for high level talks among Islamic countries.
- o Iran to persuade the US and other Western countries to withdraw from the Persian Gulf when Iraq pulls out of Kuwait. An Islamic force would then be deployed.

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- o A conference on the Iraq-Kuwait dispute, involving affected nations, the Gulf states, and other Islamic nations.
- o Establishment of an Islamic fund to pay for restoring war-damaged areas.
- o A nonaggression pact to be signed by Iran, Iraq, the GCC states, Pakistan, and Turkey.
- o All regional countries to be involved in a protocol covering political and economic cooperation and security guarantees modeled on the European system.

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Exemptions: (b)(1) (b)(3)